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HONG KONG, SUNDAY, AUGUST 29, 1937.

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Price, 10 Cts.

"JAPAN WILL STOP AT NOTHING!"

SPANISH CONFLICT RAGES ON

Nationalists Score Successes In Santander

Santander, August 28.
Without encountering serious resistance, the Nationalists are continuing their advance to the west of Santander in the direction of Asturias, and they are reported to have reached the provincial border at noon to-day.

In Santander Province the military activities now merely consist of the cleaning-up of the countryside. Ten more townships were occupied this morning and the arrival of the troops was greeted on all hands with the greatest enthusiasm.

More than 1000 Basque militia men, with small arms and three field pieces surrendered this morning and an official report states that since the fall of Santander, over 7000 prisoners have been interned in the concentration camps.

The war prizes taken by the Nationalists include six armoured cars, 16 Soviet Russian tanks, 25 passenger cars, 200 buses and lorries, five ambulances, 120 guns and 30 aeroplanes. In addition to the above, it is stated that 52 planes have been shot down.

LARGE-SCALE FIGHTING

Bilbao: Fighting on a large scale developed here to-day on the Aragon Front where the Republicans with 300 men, infantry tank detachments and aeroplanes started an offensive.

According to reports from reliable sources, the Republicans were forced to retreat, leaving hundreds of dead on the battle field.

The Nationalist air force has been reinforced by a number of planes which became available after the fall of Santander.

Transocean

THE MASK IS DROPPED

Just as a snake sheds its skin, so the nominal leader of the Japanese nation, Prince Konoye, has at last dropped his mask. The consequent revelation is by no means prepossessing, for Prince Konoye and the class he represents in Japan stand revealed as the most morally-bankrupt protagonists of sheer brutality in the world to-day.

We publish in this extraordinary issue of our paper the message from the Reuter news agency which contains the choice phraseology of this member of the ruling class. And we nicknamed Prince Konoye "Olive Branch" but yesterday, metaphorically and sarcastically speaking!

All we can say is that Japanese officialdom has been slow to reason but mighty quick in anger. It has taken the Nipponese mentality a powerfully long time to awaken to the fact that "diplomatic relations," as Japan knows them with China, have become "virtually impossible." But the words attributed to this champion of hide-bound constricting materialism make reference only to diplomatic relations with Nanking. There might be a "catch" in this because on previous occasions when Japan has found it quite difficult to get her own way with the General Government at Nanking, that nation has, with supreme contempt for the deficiencies of honourable conduct, prosecuted nefarious negotiations with certain Chinese who have dubbed themselves patriots but who subsequently have stood revealed as pimps and panders—mere pawns in the time-honoured Japanese game of push-and-take. Well, if Prince Konoye or any of his other morally-seared colleagues imagine for one moment that they can enter a solo game with certain parties in North China, then we would refer him to the characteristically vigorous statement which General Wu Te-chien made to us yesterday in Canton. We believe His Excellency is particularly happy in his ability to interpret the popular mind—and mould it when he conscientiously deems such a course in the best interests of the nation of which he is a serving leader.

We have said it time and again, but apparently reiteration is necessary, that China is united in her opposition to Japanese territorial brigandage, and whatever may have been the difference within China before Japan's latest marauding excursion, those differences no longer exist. There is agreement within the Kuomintang, and even the so-called (for propaganda purposes) Communists no longer find a place on the Chinese stage to shock the distant and ignorant Japanese audience.

So, unable to "negotiate" with any other power in China except the Central Government at Nanking, and finding China as determined as she is united in her policy to submit no longer to unprovoked Japanese aggrandizement, Prince Konoye speaks what has always really been the mind of the class he represents when he declares, "Japan's best course is to beat China to her knees so that she will no longer have the spirit to fight." Let us assure Konoye and Company, an organisation which may not have a soul to be damned but which certainly has a body to be kicked, that Japan will not only have to beat China to her knees but will have to batter her to death before her long-suffering and now thoroughly infuriated millions will cease retaliating to the vicious kicks by the spiked boot of imperialism. China's spirit to fight Japan will endure whilst there is an ounce of strength left in the nation, and if and when that is gone then Japan will find to her everlasting cost that she has conquered a quicksand. China is too great historically, culturally and nu-

WHAT THE BLOCKADE MAY MEAN GENERAL WU TE-CHEN'S STRIKING STATEMENT

Interview By Alec. Einar Pratt, Editor of "Hong Kong Daily Press"

ALTHOUGH POSSIBLY ONE OF THE BUSIEST MEN IN CHINA AND CERTAINLY ONE OF THE MOST IMPORTANT MEN IN ALL ASIA AT THE PRESENT TIME, YET HIS EXCELLENCY THE GOVERNOR OF KWANGTUNG, GENERAL WU TE-CHEN, MADE TIME TO GRANT ME AN INTERVIEW AT HIS HEADQUARTERS IN CANTON YESTERDAY AT WHICH HE DISCUSSED THE GENERAL SITUATION IN THE FAR EAST WITH PARTICULAR REFERENCE TO JAPAN'S MOST RECENT "ACT OF DEFENCE," NAMELY, THE INSTITUTING OF A BLOCKADE.

Speaking in his official capacity as political head of South China, General Wu was emphatic that, if the blockade were carried out to its logical conclusion, then it must have far-reaching effects not only to the trade of China but of the whole world.

"I will go further," declared His Excellency, "it is my firm opinion that this hostile act by Japan may have such far-reaching repercussions that it may be the means of developing into an international conflagration. It is the most dangerous attack on the peace of the world which has yet been made by Japan. A blockade must mean large-scale warfare, and it gives the lie direct to Japan's claim that she is sincerely endeavouring to localise the present conflict with China."

Blatant Hypocrisy

"Japan," remarked General Wu, "has repeatedly declared that there is no war in progress. It would certainly be most enlightening to ascertain just exactly what would constitute war according to Japanese reasoning. If a blockade is not an act of war then what is it? I do not think even by stretching the imagination to breaking point that such an act could be construed as one of friendliness."

"Japan has stated that this blockade is a defensive measure. What has Japan to defend in this way? Her nationals have all been evacuated right along the coast and Japanese property is being kept intact by Chinese troops. As a defensive measure, therefore, the blockade is without reason."

Greatest Opportunity

"I cannot emphasise too strongly the salient fact that the moment China accepted the chal-

lenge to our national sovereignty hurled at us by Japan, we definitely prepared for the worst. When we accepted that challenge and took up the gauntlet they threw at us we realised that there was no limit to which the Japanese would not go. And I say this definitely, namely, that if the Japanese meet with still stronger resistance from China—as will undoubtedly be the case—then the reactions will in all probability be even worse than the blockade, because Japanese will stop at nothing to accomplish her plan of territorial brigandage against our nation, which, because China has suffered in the past, it is thought presumably by Japan that China is in the mood to suffer again and again without retaliating."

"No Limit!"

"Economic and social conditions in China have made the people philosophical in their outlook on hardships, and they realise to-day

that they will be called upon to make very great personal sacrifices. This they are prepared to do in a manner far superior to that of the Japanese who cannot endure the hardships to which the Chinese have been subjected. In accepting the Challenge from Japan, the people of China of all walks of life must be prepared to take part in the defence of the nation, and to dedicate their lives to the future welfare of the new China which will emerge from the present ordeal."

"The more we suffer the greater will be our determination to prosecute our mission of national salvation to the very end. This is the greatest opportunity in the entire history of the Republic to train the Chinese of every state and stage of life how to become useful citizens of this new nation which is being built on an ancient and noble foundation. We will have to suffer, but we have the will and the spirit to endure," declared General Wu Te-chien.

SIR HUGHE OUT OF DANGER

Shanghai Returns To Normal

Shanghai, Aug. 29.
The "North China Daily News" quotes Dr. Gauntlett as stating that Sir Hugh Knatchbull-Hugessen is now out of danger.

Shanghai is gradually returning to normal. The offices of the British Embassy have been re-established on the Bund while the British Consulate is opening for business to-day in their old premises, also on the Bund, to which place many firms, which opened temporary offices in the western district, are returning.

It is authoritatively learned that all volunteers connected with active business will be released from their duties from Monday though they will be still under "stand-by orders" but the others remain mobilised.—Reuter.

NO DISQUIETING SYMPTOMS

Dr. Gauntlett issued a bulletin at 8 a.m. to the effect that His Excellency had a good night and is making steady progress. There are no disquieting symptoms.

Dr. Gauntlett told Reuter that no doctor would like to say that

merically to be absorbed by Japan, or any other nation for that matter.

Meanwhile the Chinese troops are on the defensive and they have the courage to "take it." As General Wu Te-chien says in his interview, the Chinese are accustomed to hardships which would make the pampered Japanese soldiery wilt.

The mask is dropped, and the best that can be said at the present stage is that now we know the truth—and we, for our part, are neither surprised nor shocked. We just feel very sorry for a great nation grossly misled. Japan has been betrayed by that grasping class which has grovelled to the militarists—and the result is war with China, and who knows what else?

ANGLO-ITALIAN DISCUSSIONS

Postponed Till End Of September

London, Aug. 29.
The Anglo-Italian negotiations, originally planned to begin early in September, after the return of the British Ambassador to Rome, will probably have to be postponed.

Sir Eric Drummond, who has just become Lord Perth, owing to the death of his half-brother, has been detained in England by important family business and will not return to the Italian capital until the end of September.

As the Ambassador's collaboration is felt to be indispensable, it is believed that the discussions will not begin until the end of September at the very earliest.—Transocean News Service.

anyone is out of danger, for until the wounds healed there is always a chance that something might happen. He added that Sir Hugh was very much better, the pain had decreased considerably and he was able to read the newspapers. (Further cables on Sir Hugh's condition are given on page 3.)

STOP PRESS

London, Aug. 29.
The shooting of Sir Knatchbull-Hugessen is a challenge to the world, says the "Sunday Times" in a leader. The article goes on to say that Japan's only wise course is to own up and apologise but more is needed from her than that. She must take reasonable steps to prevent similar outrages from recurring, and among the most important perhaps is that unless she is ready to stop war she should avow and declare it. It is doubtful if Japan, without declaring war, is entitled to start a blockade at all.

The "Observer" says that every hope is felt in London that the Japanese Government will spontaneously prevent any extension of the mischief arising out of the "Hugessen Incident" by prompt agreement and to offer apology and reparation for the incident which must have shocked Tokyo as deeply as it did every other capital in the world.—Da-Dao.

POISON GAS USED

Chinese Allegation

Nanking, August 29.
Chinese quarters here declare that the Japanese used gas bombs in the fighting around Nankow Pass, especially in the region of Suiyuan Pass, during the fighting on Friday and Saturday. The Chinese troops, however, were prepared for this and were equipped with gas masks so that the casualties from poison gas were very small, though the civilian population in that district were less fortunate in this respect.—Transocean News Service.

CHINESE SUCCESSES MAINTAINED

Japanese Landing Of Troops Checked

THE REPORTS THAT CONTINUE TO FIND THEIR WAY INTO THE COLONY FROM THE NORTH REGARDING THE SINO-JAPANESE CRISIS ARE OF A REASSURING NATURE INsofar AS THE CHINESE ARE CONCERNED. ONE MESSAGE STATES THAT ALL PLACES ALONG THE WOOSUNG AREA HAVE BEEN CLEARED OF THE ENEMY ALTHOUGH NINE JAPANESE PLANES ARE REPORTED TO HAVE RECONNOITRED IN THAT SECTION FOR SOME TIME. ONE OF THESE, HOWEVER, IS SAID TO HAVE BEEN FORCED DOWN IN YANGTSEPOO AND BURST INTO FLAMES WHEN IT CRASHED.

The Japanese are still making claims regarding the landing, on a large scale, of reinforcements, but all such communiques have been denied by the Chinese who are equally emphatic in their reports that all attempts, on the part of the Japanese, to land troops have been repulsed, especially in the Loting sector. A message from the capital, received last night, was to the effect that about 1000 Japanese forces, wounded officers and men, were transported back to Japan by the Asahi Maru, the vessel having painted on its sides huge red crosses.

After about four days of fighting, the Woosung area enjoyed a spell of quietude over the week-end, this silence being only broken occasionally by gunfire and snipers. The sky over the Shanghai sector was quiet but a Chinese military spokesman in an interview said that they had received information that the Japanese are planning to bomb Pootung. The Japanese are also reported to be busy repairing

roads along the strategic points in preparation for the movement of troops on a large scale.

SITUATION IN HAND

The new situation in Woosung and Loting has necessitated the strategical re-distribution of Chinese troops and it is stated that the Chinese War Office now has the position well in hand and are (Continued on Back Page.)

MAURITIUS DISORDERS

Colonial Office Version

London, Aug. 28.
The Colonial Office version of the state of affairs in the Mauritius declares that a man was killed in the disorder on August 27 in one locality in the South Island when the police had to fire on a crowd. This trouble occurred in a hostile demonstration at the police station of a big village, notorious for crime.

The incident does not appear to indicate a fresh outbreak of strike, according to a report from the Governor. Other has been restored and the situation remains normal elsewhere.—Reuter.

RUSSIA DOES NOT KNOW

Moscow, August 29.
Replying to enquiries concerning the Tokyo report that a Non-Aggression Pact had been concluded between China and Soviet Russia, the latter officials declared that "we have no information of a Sino-Soviet Pact."—Reuter.

CONSULATES TO CLOSE

Moscow, August 28.
The Soviet Government has requested the Japanese Consulates in Odessa and Novosibirsk to close not later than September 15, next.—Reuter.



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Japanese Warships Engage Pootung Battery

ENEMY PLANES BROUGHT DOWN IN WOOSUNG SECTOR

SHANGHAI, AUGUST 29.

THE JAPANESE SPOKESMAN ALLEGES THAT NANKING IS PLANNING "BACTERIOLOGICAL WARFARE" IN NORTH CHINA AN THREATENS APPROPRIATE RETALIATION. BOTH CITE CASES OF VALOUR, FOR EXAMPLE THE JAPANESE CLAIM THAT TWO JAPANESE NAVAL AIRMEN POWER-DIVED THEIR BOMB-LADEN PLANE INTO THE CHINESE ARTILLERY UNIT IN THE SHANGHAI AREA WHEN THEY FOUND THE FUSELAGE WAS ON FIRE AND DESTROYED THE UNIT AT THE SACRIFICE OF THEIR OWN LIVES.

JAPANESE AERIAL ACTIVITY CEASED AT NIGHTFALL BUT DARKNESS SAW THE CHINESE GUNS IN THE CHAPEI SECTOR RAIN SHELLS ON HONGKEW. THE MARKED THE FIRST INTENSIVE BOMBARDMENT OF THIS AREA BUT THE CHINESE DENY THE SHELLING AS A RETALIATION OF THE JAPANESE BOMBING OF NANTAO AND ASSERT THAT THE CIVILIANS HAD COMPLETED THE EVACUATION FROM HONGKEW WHEREAS NANTAO WAS DENSELY POPULATED BY NON-COMBATANTS. THE CHINESE CLAIM TO HAVE SHOT DOWN TWO JAPANESE PLANES IN WOOSUNG THIS MORNING.

BUILDINGS ON THE BUND ROCKED UNDER THE THUNDER OF HEAVY GUNFIRE WHEN AT 11.20 P.M. JAPANESE WARSHIPS IN THE HARBOUR BEGAN A DUEL WITH THE CHINESE BATTERY IN FOOTUNG WHICH WAS SILENCED AFTER HALF AN HOUR'S INTENSIVE BOMBARDMENT. THE JAPANESE USED LARGE CALIBRE GUNS, THE BOOM OF WHICH ROUSED ALL SHANGHAI FROM THEIR BEDS.—REUTER.

London, August 28: The evacuation of 4,000 Japanese civilians from Tsingtao will take place early to-morrow (Sunday), the "Evening News" learns from a reliable source. It is expected that Tsingtao and Shantung Province will be the scene of heavy military operations in the course of the next few days.

Shanghai: The re-grouping of the Chinese and Japanese troops in the fighting area to the south of Shanghai continued to-day. The Japanese are reported to have landed additional reinforcements and also a certain amount of heavy artillery in Woosung.

The Chinese, after successfully evading the Japanese encircling movement into their lines of defence from Nansiang to Kating, carried out movements covered by skirmishes in the rear and supported by reinforcements. They are reported to be making rapid advances from the west.

North of the Shanghai University, Japanese marines are reported to have established contact with their detachments further north, along the Whangpoo River, and the town of Woosung has been completely destroyed by the incessant fight during the past few days.

Tientsin: An impending Japanese "big push" to the south-west of the Tientsin-Peking Railway is indicated by the extensive preparations at the Japanese Headquarters in Tientsin. Japanese battalions are arriving uninterruptedly. The streets of Tientsin are blocked by Japanese troops, and even in the International Settlement, much troop movement is going on.

Japanese Headquarters state that the first objective of their "big push" will be the Chinese concentrations on the Peking-Hankow and Tientsin-Pukow Railways.—*Transocean News Service*



The above picture bears grim evidence of the hurried evacuation of women and children from the International Settlement in Shanghai last week.

EMERGENCY FINANCE PLANS

Shanghai, August 28: In an interview with the Central News Agency to-day a spokesman of the Ministry of Finance expressed deep satisfaction over the results of the emergency regulations which were enforced since the opening of hostilities in the country.

He declared that the steps taken by the Government have prevented the flight of capital from the country, stabilised the financial conditions in general and have benefited agriculture, industry, commerce, mining and other productive enterprises throughout the country.

JAPANESE BOMBS AT LIULIHO

Paoting, August 28: Four Chinese villagers were seriously injured at Liulih, 55 miles southwest of Peking on the Peking-Hankow Railway, to-day when a Japanese military plane bombed the town. No damage, however, was done to the buildings.—*Central News*

BITTER FIGHTING IN FANGSHAN

Paoting, August 28: The fighting between Chinese and Japanese in the Fangshan area, about 30 miles southwest of Peking near the Peking-Hankow Railway line, continues unabated and with undiminished ferocity.

Hostilities have now been split into two wings, virtually two battles taking place with both sides throwing reinforcements heavily into the area.

The Japanese have apparently given up the use of airplanes in this sector temporarily, in view of the fact that most of the fighting is being done at close quarters. There is little change reported in the positions of the respective fighting forces.

According to a report from Chienchiun on the west of the Peking-Hankow road bed near the Fangshan area the 22nd Division of Japanese troops have been badly defeated in an attempt to storm the strongly defended Chinese positions in the area.

The Chinese report the capture of 8 machine-guns, over 100 rifles and a small quantity of ammunition and stores. Four Japanese officers and over 200 Japanese infantrymen were killed in the encounter.

Important maps and sketches of Japanese plans were found among the effects of one of the dead officers.—*Central News*

MINHONG BOMED BY JAPANESE PLANES

Shanghai, Aug. 28.—Minhong and the surrounding vicinity was subjected to heavy bombing by Japanese planes yesterday. It was announced by military authorities here.

Many houses were demolished and a number of non-combatants were killed and wounded.

The town is situated 20 miles south of Shanghai on the Shanghai-Hangchow Highway and is a well-known week-end resort for foreigners in Shanghai.—*Central News*

JAPANESE ORDERED TO EVACUATE

Tsingtao, August 28: The Japanese Consul-General here has ordered the remaining 4,000 Japanese in this city to evacuate by to-morrow.

According to estimates here, the Japanese property and business interests left in this city will amount to approximately \$30,000,000.—*Central News*

JAPANESE PLANES SHOT DOWN IN WOOSUNG

Shanghai, Aug. 28: The attempted raid on the rear of the Chinese lines in the Woosung area by a squadron of 12 Japanese bombers came to a tragic end at 11 o'clock this morning when four of the heavy machines were brought down by Chinese anti-aircraft guns.

Two of the machines were shot down while two others burst into flames in the air and crashed to the ground. All the occupants are reported to have perished.

The remaining planes, on seeing four of their machines shot down, flew away without dropping any bombs.—*Central News*

JAPANESE BOMB CHEKIANG

Hangchow, Aug. 28: A lone Japanese bomber ventured into Chekiang province yesterday morning and dropped two bombs in the vicinity of Chenhai. One of the missiles fell into the river near the city, the other landing on a road in the outskirts of the city, killing one unidentified man.—*Central News*



Three of the visitors from Shanghai who are quartered at the Jockey Club.

STRUGGLE WILL BE PROLONGED

Tokyo, August 29.

Prince Konoye, the Japanese Prime Minister, declared that the existing situation renders diplomatic negotiations with Nanking "virtually impossible" and that the best course for the Japanese would be to beat China to her knees so that she will no longer have the spirit to fight.

Japanese officers returning from the fighting zone give it as their opinion that the struggle will be a stiff and lengthy one extending possibly to the autumn. To overcome the Chinese resistance, the Japanese are putting huge forces on the field. Twenty generals, who have already retired, have been recalled and the peace strength of the Army has been doubled and will shortly be trebled.

Indications are that Shantung and Canton will be the next objectives of the Japanese planes.—*Reuter*

AMERICAN MISSION SCHOOL BOMBED

Nanchang, Aug. 28: Incendiary bombs dropped by Japanese planes over Nanchang, provincial capital of Kiangsi, yesterday, struck and set fire to the American mission Pao Ling Girls' School. It was disclosed to-day.

Most of the buildings on the campus have been destroyed. The principal of the school, an American missionary, who was spending the summer at Kullug at the time of the bombing, received reports of the outrage by telephone from Nanchang.

He immediately sent a report to the American Embassy at Nanking requesting that a vigorous protest be lodged with the Japanese authorities. The principal demands full compensation for the damage done to the institution.—*Central News*

EURASIA ANNOUNCES FOUR NEW AIR ROUTES

Slan, Aug. 28.—The Eurasia Aviation Corporation to-day announce the opening of four new air routes linking the main cities in the north-west provinces with South China and Annam.

The routes are: Slan to Lanchow, Slan to Paotou, Slan to Hanol and Slan to Canton.

Planes will leave the Shenai city every Wednesday and Friday for Hanol and return on Thursday and Saturday. Stops will be made at Hunchung, Chengtu and Kunming. Southbound planes on the Slan-Canton run will leave every Monday, Wednesday and Fridays while the return trip will be made on Tuesday, Thursday and Saturday. Stops will be made at Hankow and Changsha.—*Central News*

JAPANESE WARSHIPS OFF CHEKIANG

Shanghai, Aug. 28: According to a report reaching here to-day, one Japanese aircraft carrier, one cruiser and two destroyers have been sighted off the Chekiang coast. Coast defence units are keeping a close watch on the movements of the four Japanese warships.—*Central News*

H.M.S. DELIGHT FOR FOCHOW

Some excitement was caused here on Saturday evening when it was learned that H.M.S. Delight was ordered to proceed to Fochow "to protect British interests there."

H.M.S. Delight arrived in the Colony from Swatow on Saturday morning and, in the normal course of events, the ratings were allowed to go ashore as usual. By 7 pm, however, a recall order had been issued and the ship placed in readiness to proceed to Fochow.

Despite the stormy weather prevailing in consequence of the typhoon in the vicinity of Hainan, H.M.S. Delight left last night for her destination but this was all that could be ascertained from the local naval authorities. It is not known whether the despatch of the vessel was directly connected with the stopping of the Sheng-king.

FIGHTING NEARING TIENTSIN

Paoting, Aug. 28: The sound of artillery fire which has been audible in Tientsin during the past week, is reported to be nearing the city day by day.

Heavy fighting is reported going on in the Tulluchen-Chinghai area, about 30 miles south of Tientsin along the Tientsin-Pukow line.

Although Chinese reports yesterday announced that a brigade of Chinese had gone as far as entering Tulluchen, Japanese troops in the area are bitterly contesting every yard of ground.

At Chinghai, neither side has gained any appreciable advantage over the other during the past few days. Heavy artillery fire has been exchanged incessantly.—*Central News*

SALVATION BOND

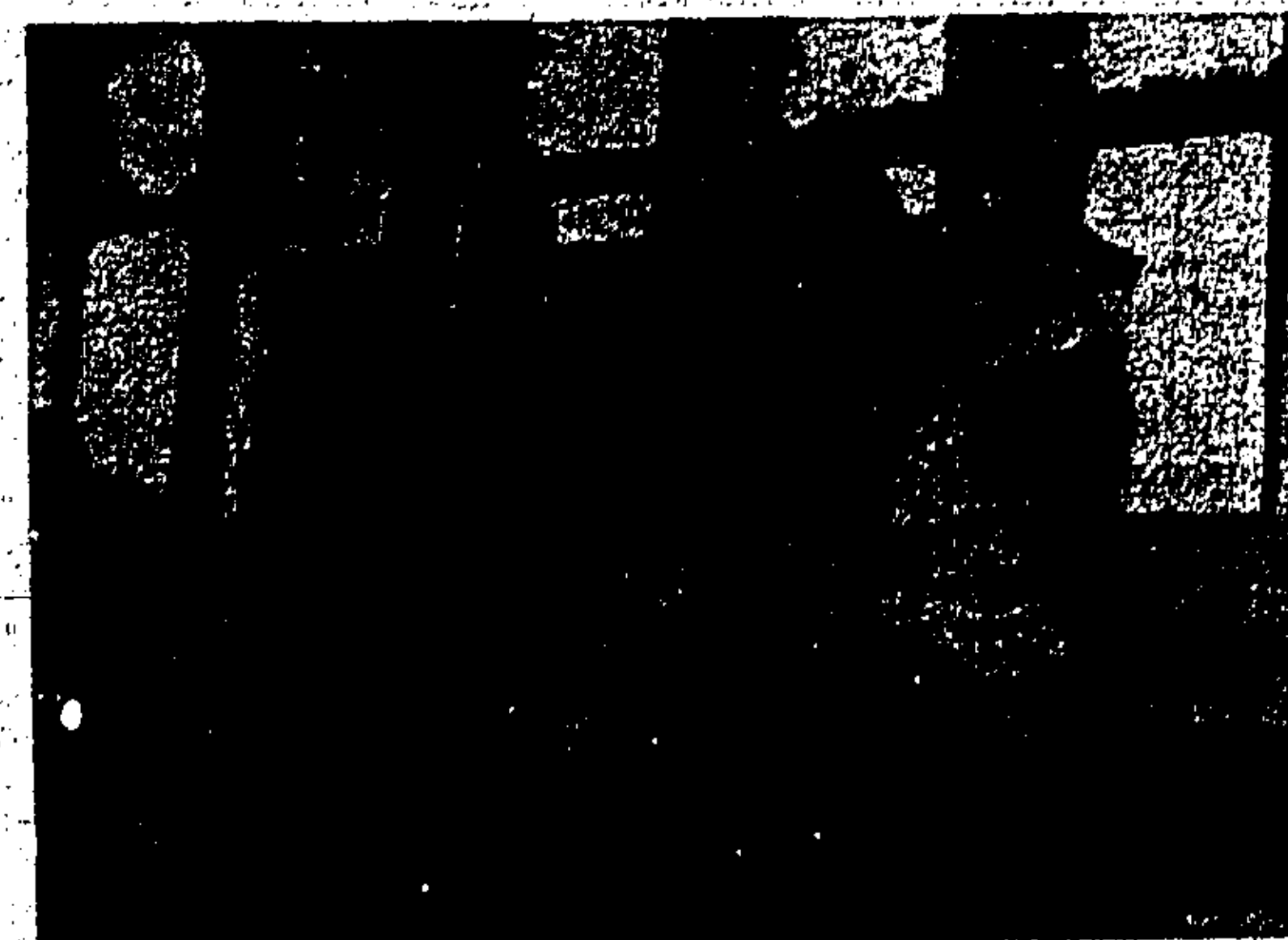
Shanghai, Aug. 28: According to latest reports, the new \$500,000,000 National Salvation Bond issue will bear interest at the rate of 4 per cent per annum.—*Central News*

SCHOOLGIRLS WANT TO FIGHT JAPANESE

Lanchow, Aug. 28: Dressed in masculine attire and with hair closely cropped in military fashion, Chien Lo-hsiu and Sze Yu-lan, two local schoolgirls with strong feelings about the Japanese invasion of North China and Shanghai, were discovered here yesterday attempting to enlist in an army group which is leaving for the front shortly.

Eighteen year-old Miss Chien is the daughter of a judge of the Kansu Provincial Supreme Court. Miss Sze, aged 17, is a daughter of Dr. Sze Sui-yu, a former professor of the Judges' Training School.

The two girls are students in the local girls' school, and are well-known for their scholastic abilities. They are also known to be ambitious young women with definite feelings about the preservation of China's territorial integrity. When discovered, they protested vigorously, but were finally persuaded to return home and devote their energies to channels more suitable for individuals of their sex.—*Central News*



Service For The Refugees: This "boy" is busy catering for many people at the Jockey Club refugee centre.

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NO BRITISH NOTE YET

"Hugesson Incident"

London, Aug. 28. Instructions have not yet been sent to the British Charge d'Affaires in Tokyo regarding the action which is to be taken following the shooting of the British Ambassador, Sir Hughe Knatchbull-Hugessen, but they are expected to be despatched very soon.

The British authorities desire to obtain every possible piece of necessary information before finally deciding on a course in such a serious situation as at present.

In connection with the suggestions in Japanese quarters in Shanghai that the Ambassador should have notified the Japanese before undertaking the motor journey from Nanking to Shanghai, competent quarters in London point out that it is strange to suggest that the Ambassador of one foreign Power should notify the representative of another foreign Power before motoring along a road in the country in which he is accredited.

"UTTER FABRICATION"

In regard to the repeated suggestions that the shooting took place in the war zone, it is understood that the party motored many miles without seeing a sign of Chinese troops.

The British Commander-in-Chief on the China Station, Vice-Admiral Sir Charles Little, has cabled London characterizing as a complete and utter fabrication a story circulated in Japan yesterday that he told the Japanese Admiral at Shanghai that the "shooting was brought on by the Ambassador's imprudence."

GREAT GRATIFICATIONS

Mr. R. G. Howe, Counsellor of the British Embassy in Nanking, who is returning to China from leave London to-day.

His route has not been indicated but part of the journey will be made by air.

Great gratification is felt in London at the action of the United States marine in giving his blood for transfusion to the Ambassador after the shooting, thus probably saving Sir Hughe's life.

HOPES MOUNTING

Shanghai, August 28. Although Dr. Gauntlett has not yet pronounced Sir Knatchbull-Hugessen out of danger, hopes that the Ambassador will pull through are mounting with the favourable reports of his progress. His health seems to have become the common concern of every community in the Far East and his latest well-wisher is Madame Chiang Kai-shek, who telegraphed Lady Hugessen expressing the deepest solicitude regarding the Ambassador's condition and hopes for an early recovery.

HONG KONG MESSAGE

The following telegram was despatched by the Chairman of the Hong Kong General Chamber of Commerce to Sir Hughe Knatchbull-Hugessen at the Country Hospital, Shanghai, yesterday:—

ATTACK ON AMBASSADOR

Britain May Ask For Indemnity

London, Aug. 28. The newspapers forecast that the British Government's protest to Tokyo against the attack on the British Ambassador will be extremely strong and may include a demand for an indemnity.

"The Times" says that the last details concerning the incident are still to be received from Shanghai. It is hoped they will be received to-day and then the British Government will take up the matter with the Japanese Government through the Charge d'Affaires in Tokyo.

Indignation at the outrage has been increased rather than lessened by some of the Japanese explanations, say the diplomatic correspondent of "The Times."

MISTAKEN FOR CHIANG

In regard to the statement that the Japanese Army had learned that General Chiang Kai-shek was to travel on the Nanking-Shanghai road on that day, the correspondent says this amounts to saying, "We did not plot to shoot the British Ambassador but we did plot to murder the head of a neighbouring State with which we are in diplomatic relations."

The explanation in regard to the alleged misuse of British flags by the Chinese is hardly taken seriously. Anyhow, the Japanese were not justified in interfering with foreign cars simply because some Chinese are doing something they dislike.

BLOCKADE MEASURES

In regard to the Japanese blockade, the correspondent says that further confirmation is awaited.

There appears to be some discrepancy between the Japanese Admiral's reported orders and the statement by the Japanese Foreign Office that no foreign ships will be molested.

Anyhow, the dangers of "incidents" are obviously present and it is strongly doubted whether the Japanese have any right to blockade the shores of a country with which officially they are not warring.

TO JOIN LADY HUGESSEN

Shanghai, Aug. 28. Elizabeth and Alethea Knatchbull-Hugessen, daughters of the British Ambassador, are leaving Peltatho for Shanghai next week to join their mother, who is staying at the home of Brigadier and Mrs. Telfer Smollett, near the Country Hospital.

A bulletin issued by Dr. Gauntlett at 6 o'clock this evening says that His Excellency passed a most satisfactory day and has improved in every respect.

NOTE TO BE PRESENTED

It is learned that the text of the Note for presentation to the Japanese Government is being telegraphed to the Charge d'Affaires in Tokyo to-night. It is intended to publish the Note after presentation.

"Hong Kong General Chamber of Commerce on behalf of the business community expresses profound sympathy and heartfelt wishes for good recovery."



The Rev. G. E. S. Upsdell, Headmaster of King's College, busily engaged in registering Shanghai Refugees at the Hong Kong Government Centre, Jockey Club Stands. (Photo Cheng Studio).

FUTURE OF NORTH CHINA

Tientsin, August 28.

The future of North China is entirely dependent on the new regime which we hope will remove all communist and anti-Japanese activity, declared General Katsuki in an interview with Reuter to-day.

JAPANESE DEAD AND WOUNDED

Shanghai, Aug. 28.—The s.s. Choyo Maru is scheduled to leave here this morning loaded with Japanese wounded and approximately 1,000 bodies of Japanese soldiers killed in the Shanghai hostilities.

The vessel is flying the Red Cross flag at its masthead, and the same insignia is painted on the funnel.

Central News

CHINESE DENY RUMOURS

Shanghai, Aug. 28. Reports that a general withdrawal of the Chinese forces to a line 35 miles from Shanghai has been ordered, have evoked an emphatic denial from a Chinese Army spokesman, who says that the Chinese lines in the Shanghai area have been opened to inspection by foreign journalists. He adds that if a withdrawal occurs, it will at the most be for a couple of miles.

Other reports state that the Chinese are forming an impregnable "Hindenburg line." Foreign observers confirm that militiamen have replaced the regular Chinese troops in the front lines in the foreign Settlement area.

Reuter

M.C.L. GALA

The Proceeds of the M.C.L. Gala which is to be held at Repulse Bay Lido on September 15 is to be put at the disposal of the Refugee Committee. An interesting event will be the Pyjama and Beach Wear Parade which is to be divided into two classes Age 8 to 10 and 10 years to 16 instead of 5 to 14 as heretofore advertised.

BOMBING OF NANTAO

Hundreds Of Women Killed

Shanghai, Aug. 18.

Hundreds are believed to have been killed and injured as a result of systematic bombing of the outer fringes of Nantao to-day by Japanese planes, which concentrated on the South Station and the Kiangnan Arsenal, as well as the Administrative buildings in the vicinity.

The Chinese populace became panic-stricken and many thousands of them rushed for protection within the French Concession but found the gates barred and guarded. Only ambulances bearing injured were allowed through. The bombs started fires which are easily visible from the roof tops of the International Settlement.

It is estimated that at least 300 were killed and 600 wounded during the bombing.

Four bombs hit South Station, blowing sheds and tracks to bits and littering an area of a quarter of a square mile with mangled bodies and groaning injured.

A Reuter correspondent was eyewitness of ghastly scenes reminiscent of Shanghai's "Bloody Saturday" on August 14, when the Nanking Road and Avenue Edward VII explosions occurred.

The bombs fell in the midst of hundreds of Chinese refugees who were awaiting trains to take them to Hangchow.

Most of the victims appear to have been women and children.

A renewed threat to bomb the whole of Nantao, unless Chinese regular troops stopped pouring into the district, was made by a Japanese spokesman, who explained that the air bombing of South Station was the result of the continued arrival of large numbers of Chinese troops there.

Reuter

BITTER INDIGNATION

Meanwhile all Chinese circles express bitter indignation at the Japanese bombing of Nantao which is condemned as "wanton massacre of innocent non-combatants in an open and undefended town."

The Japanese allegations that Nantao is full of Chinese troops is emphatically refuted and each side accuses the other of atrocities and the mutual accusations of the use of poison gas are mutually denied.

Reuter

JAPANESE CUT CABLES OUT OF SHANGHAI

Shanghai, Aug. 28: All cable lines out of Shanghai were cut by Japanese troops at 4 o'clock this afternoon. The three major systems affected are:

The Great Northern Telegraph Company, Limited, of Denmark; The Eastern Extension, Australasia and China Telegraph Company, Limited, (British); and The Commercial Pacific Cable Co. (American).

It is learned that the lines were severed by Japanese troops at Woosung.

Central News

REFUGEE CENTRE

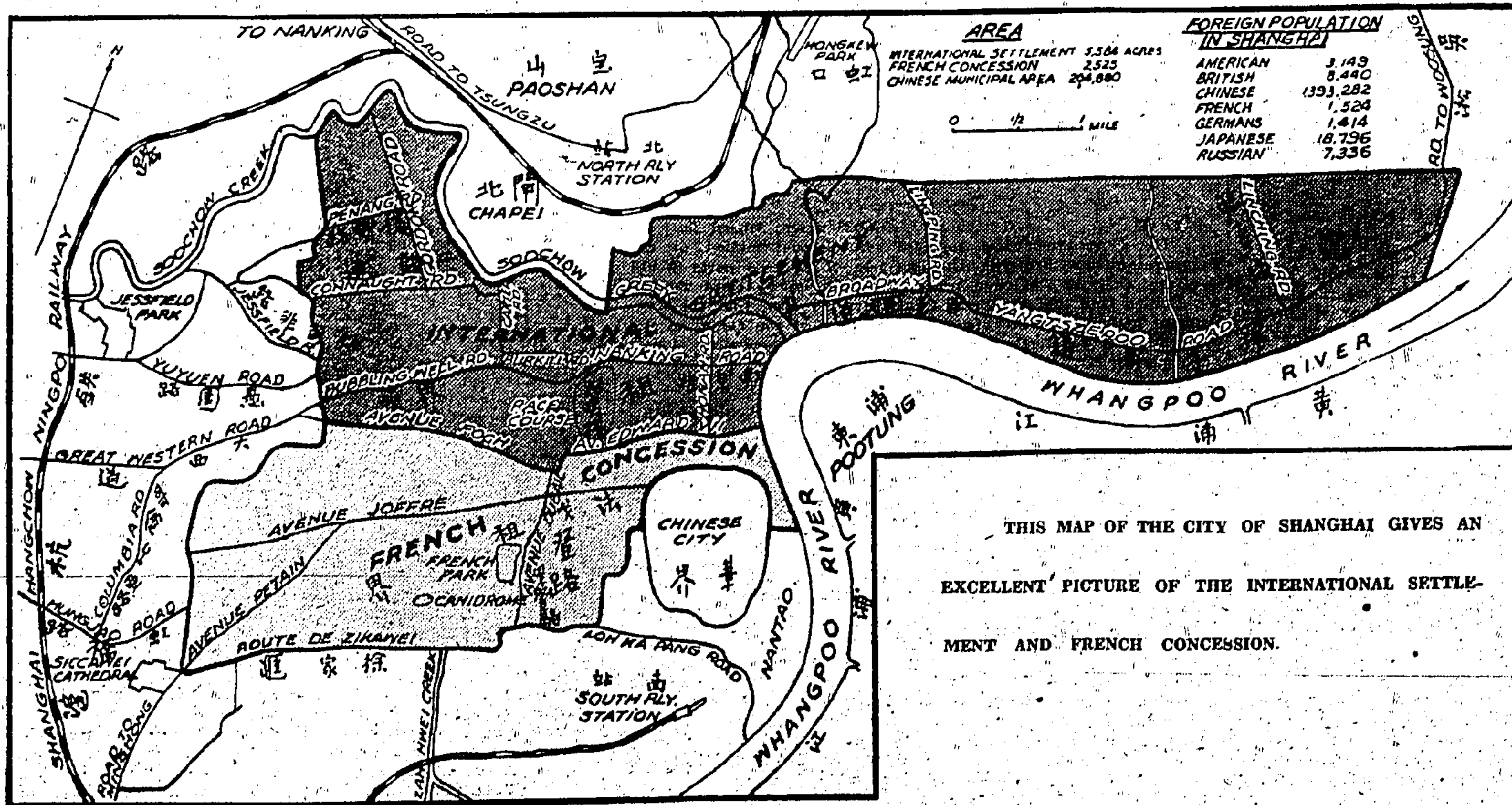
Central British School

ARRIVALS ON AUGUST 27

Mrs. A. C. Barton and 2 children, Mrs. A. M. Brown, Mrs. S. Costides, Mrs. G. L. R. Caulderim and 1 child, Mrs. C. O. Dreggs and 3 children, Mrs. G. S. Forrest and 1 child, Mrs. Griffin, Mrs. A. J. Hayler and 2 children, Mrs. Mary Hills, Mrs. H. Howard and 1 child, Mrs. F. Howe and 1 child, Mrs. A. Janne and 2 (wards), Mrs. W. Jarman, Mrs. C. F. Livesey, Mrs. J. F. Millar, Mrs. G. Mitchell and 2 children, Mrs. H. Morgan, Mrs. R. Morgan, Mrs. W. J. Patterson, Mrs. A. Quinnell, Mrs. J. Rees and 1 child, Mrs. W. Robertson, Mrs. Amy Taylor.

DEPARTURES ON AUGUST 27

Mrs. L. J. Martin and 1 child to Mrs. Hudson, Prison Qrs., Stanley; Miss Mabel Money to A. Deansfield, 20 Broadwood Road, Happy Valley; Miss Annie Blow to Mr. Fraser, 101 Wong Nei Chong Road, Happy Valley.



THIS MAP OF THE CITY OF SHANGHAI GIVES AN EXCELLENT PICTURE OF THE INTERNATIONAL SETTLEMENT AND FRENCH CONCESSION.

Lane Crawford's

SPECIAL OFFER
OF LADIES
DAY AND EVENING
GOWNS

From \$10.00

Also
MILLINERY

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The Ladies Salon
MEZZANINE FLOOR.

FRIGIDAIRE

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1 1/2 Million More Frigidaires Have Been Purchased Than Any Other Make. Overwhelming Proof of Ability - of Value - of Leadership.

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TO COVER ALL CHINESE SHIPS

The Japanese Spokesman interviewed by Reuter emphasised that the Japanese blockade "covered all ships flying the Chinese flag." He said that junction of Japanese troops from Woosung and the Japanese blue jackets in the Shanghai area was very near. He also emphasised that military establishments were the sole objective of the Japanese air raids on Nanking, and concluded by saying that investigation into the "Hugesson Incident" were still in progress.

Reuter

SWATOW ON THE ALERT

Swatow, Aug. 28.—The declaration of a blockade of the south China coast from a point south of here to Shanghai has prompted local authorities to take precautionary measures.

Central News

SHOWING TO-DAY **MARKED WOMAN** AT 2.30, 5.10, 7.15 & 9.30 P.M.

BETTE'S BACK! More dangerous, more daring, more dramatic than ever before. She hunts men, she hates men, and men love her for it!



BETTE ALONE DARED SAY NO!
BETTE DAVIS
In the finest role of her career,
HUMPHREY BOGART

"MARKED WOMAN"

with LILA LANE • ISABEL JEWELL • EDUARDO CIANNELLI • JANE RAYAN • ROSALIND MARCUS • RAYO MITCHELL • Allen Jenkins • John Linn • Ben Webster • Harry O'Neil
Music and Lyrics by Harry Warren and Al Dubin. Directed by Lloyd Bacon

Next Change Douglas Fairbanks Jr.-Dolores Del Rio in
United Artists **"ACCUSED"**

4 SHOWS DAILY 2.30-5.15 7.15-9.30 **ORIENTAL THEATRE** FLEMING ROAD WANCHAI TEL. 52473

CRAZY WEEK AT THE ORIENTAL STARTS TO-DAY
A grand revival of seven of the funniest and craziest pictures the world ever produced.

ONE SOLID WEEK OF JOY AND LAUGHTER!
FOR TODAY ONLY

Samuel Goldwyn presents
Eddie CANTOR
in **"PALMY DAYS"**
Charlotte Greenwood
UNITED ARTISTS PICTURE

TOMORROW ONE DAY ONLY

BERT WHEELER ROBT WOOLSEY
"COCKEYED CAVALIERS"
THEMA TODD DOROTHY LEE
DIRECTED BY HARRY SANDROCK

FOR TUESDAY ONE DAY ONLY

STAN LAUREL OLIVER HARDY
"SONS OF THE DESERT"
M-G-M Picture

WEDNESDAY ONE DAY ONLY HAROLD LLOYD in **"MOVIE CRAZY"**
THURSDAY ONE DAY ONLY THE 4 MARK BROTHERS in **"DOCK SOUP"**
FRIDAY ONE DAY ONLY JOE E. BROWN & GINGER ROGERS in **"YOU SAID A MOUTHFUL"**
SATURDAY ONE DAY ONLY 100 OF THE SCREEN'S FUNNIEST COMEDIANS **"HOLLYWOOD PARTY"**

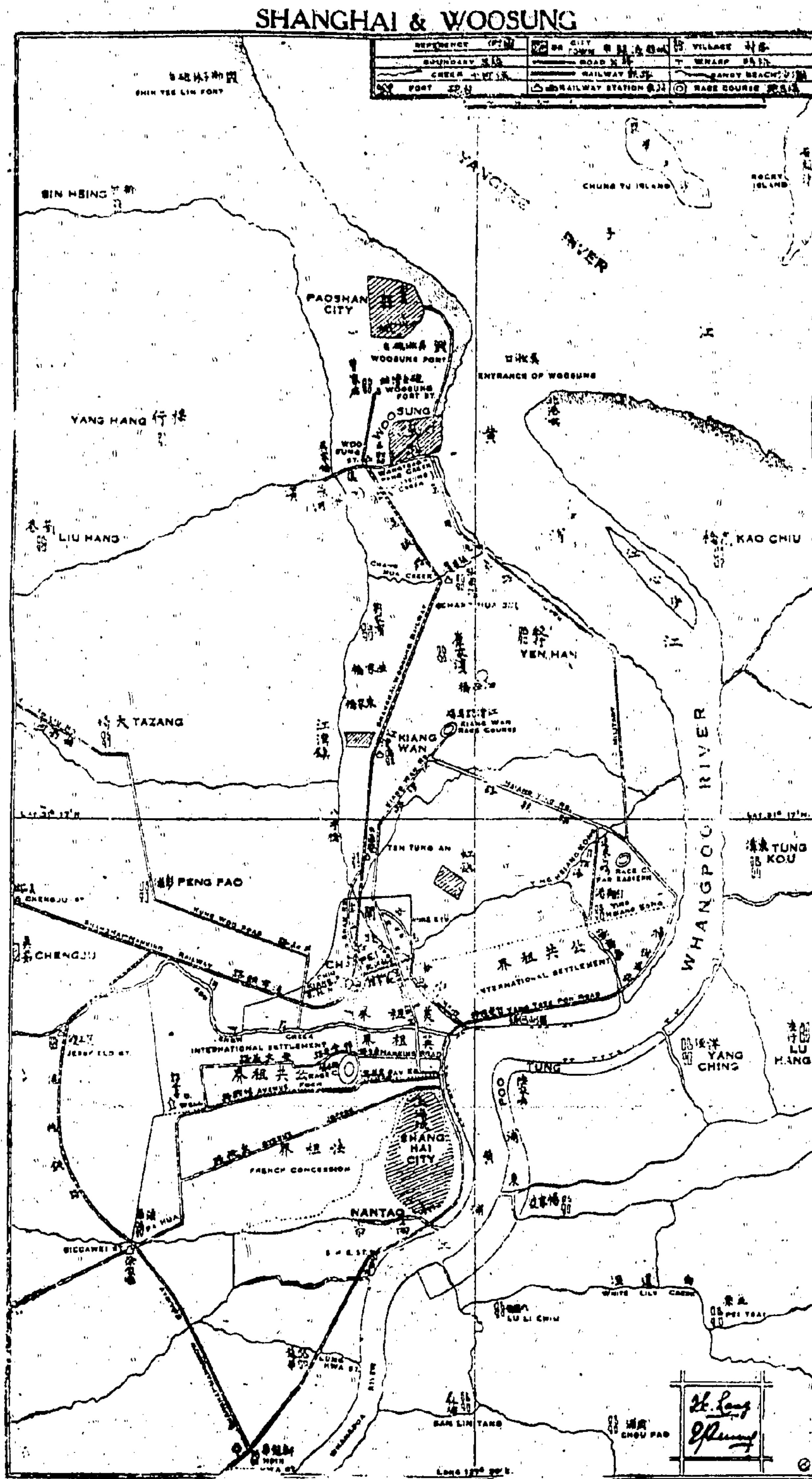
• MATINEES: 20c-30c • EVENINGS: 20c-30c-50c-70c •

DAILY AT 2.30 5.20 7.20 9.20 **STAR THEATRE** HAWK ROAD KOWLOON TEL. 57795

• SHOWING TO-DAY •

VICTOR McLAGLEN PRESTON FOSTER DA LUPINO
"SEA DEVILS"
with DONALD WOODS
An Edward Small Production, Directed by Ben Stoll

NEXT CHANGE Irene Dunne — Astaire — Rogers.
RKO-Radio Picture in **"ROBERTA"**



WOUNDING OF THE BRITISH AMBASSADOR

(To The Editor, The "Hong Kong Daily Press")

Sir,—World opinion rightly condemns the aggression of the Japanese military party who, seemingly, have complete ascendancy in Japan at the present time. World sympathy is with China. I share those views. But let us be quite clear-minded about the injury to the British Ambassador. In the leader to-day in one of your contemporaries, the leader writer put his finger right on the spot when he wrote:—"It seems that the Japanese were not informed of Sir Huges's journey and his motor car was insufficiently labelled, having only small flag on the bonnet—air attack, presumably, not being envisaged."

Now I, as a business man, when negotiating an important transaction have to guard against all possible contingencies. It is elementary practice. If I overlook something and if, because of that, a heavy loss is suffered, I am rightly deserving of reprimand by my Directors in London.

I see no reason why people in other walks of life should be excused for lapses. Whoever were responsible for the arrangements for Sir Huges's journey seem to have slipped up somewhat. In existing circumstances (quite apart from the rights and wrongs of all that has gone before) the hood of the car might have displayed a large Union Jack and the Japanese authorities, as well as the Chinese, should have been notified. The contingency might have been obvious and a small flag on the bonnet was useless in such a predicament.

It is intolerable that International incidents should be contributed to by lack of foresight of those whose job it should be to

BRITISH STEAMER STOPPED

Shanghai, Aug. 29.

The British steamer Hsinking was stopped and searched by a Japanese warship off Woosung. The British Commander-in-Chief, Admiral Sir Charles Little, has forwarded a protest to the Japanese authorities in this connection. The steamer is owned by the China Navigation Steamship Company and is registered in London.—Reuter.

NOW A FIGHTING ZONE

Shanghai, August 29. Japanese Headquarters declare that Japanese planes reconnoitring in the area between Shanghai and Nanking found Chinese army transports and motor lorries using the road thus demonstrating that the area in which the British Ambassador was wounded has become a fighting zone.

The Japanese blame the Chinese for the "Hugessen Incident" as they guaranteed his safety and then failed to protect him.—Reuter.

Washington Receives Confirmation Of Blockade

Washington, August 29. The Government has received official confirmation of the Japanese announcement that the blockade of Chinese ports would interfere with the "peace commerce" carried on by third Powers. Mr. Cordell Hull told the Press Conference, however, that the Government had received no informal clarification of the extent of the blockade as it would relate to any privilege of pre-emption Japan might decide to exercise.—Reuter.

CONDITIONS NORMAL

Conditions at the Jockey Club camp for refugees from Shanghai continue to remain quite normal and the inmates are having as good a time as could be expected in the circumstances, a "Daily Press" representative was informed this morning when he called at the club.

There have been no unusual or untoward events.

exercise foresight. The Japanese plot was quite likely merely following out his routine orders. Yours etc., British Observer.

GOVERNMENT SERVANTS TO HELP

The Colonial Secretary presents his compliments to the Editor, Hong Kong Daily Press, and is directed to state for general information that Government servants have been notified by circular that the General Order restricting the occupation of government quarters to persons in Government service has been temporarily relaxed, so as to allow the accommodation of bona fide refugees from Shanghai. In no case has a request to accommodate such refugees in Government Quarters been refused.

QUEENS & ALHAMBRA
HONG KONG KOWLOON

AT 2.30-5.15 7.20-9.30 P.M. AT 2.30-5.15 7.20-9.30 P.M.

• TO-DAY AND TO-MORROW •

Only One Life-Line to Liberty!

Brother battles brother for the one chance to escape war-torn Spain!



"THE LAST TRAIN FROM MADRID"
A Paramount Picture with Dorothy Lamour
Lew Ayres • Gilbert Roland
Karen Morley • Lionel Atwill
Helen Mack • Olympia Brodsky
Anthony Quinn

NEXT CHANGE

At the QUEEN'S
"THE LADY ESCAPES"
Michael Whale • Gloria Stuart

NEXT CHANGE

At the ALHAMBRA
"THE FIGHTING RANGER"
with Buck Jones

4 SHOWS DAILY 2.30-5.20 7.20-9.30 **MAJESTIC THEATRE** NATHAN ROAD KOWLOON TEL. 57221

MATINEES: 20c-30c • EVENINGS: 20c-30c-50c-70c

• TO-DAY, TO-MORROW, TUESDAY •
AMAZING! THRILLING! YOU'VE NEVER SEEN ITS LIKE BEFORE!

EYES OF DOOM!
Sending a 12-inch killer on an errand of amazing vengeance!
DEVIL DOLL
BARRY MORE
JAMES DUFFY
JAMES DUFFY
JAMES DUFFY

• WEDNESDAY, ONE DAY ONLY! •
THE 4 MARX **"DUCK SOUP"**
BROTHERS IN AN "OLD FAVOURITE" FROM PARAMOUNT

Chinese Successes

(Continued from Page 1)

confident of being able to hold any fresh Japanese advances.

A party of Chinese soldiers reported to Headquarters that they found the dead bodies of a large number of Korean soldiers in Nanking. These soldiers, so the report stated, wore Japanese helmets and carried Japanese flags, rifles, field-glasses etc., all of which were taken by the Chinese.

Following sharp fighting in Fengshan, one regiment of Chinese troops were reported to have been lost while there were also a large number of Japanese casualties. The Japanese were assisted by a squadron of aeroplanes but the Chinese claim that, following very severe hand-to-hand fighting, they maintained their positions in addition to which they claim to have taken eight machine-guns and about 100 rifles.

JAPANESE HANDICAPPED
Japanese military operations in Tientsin were handicapped by very heavy rain on Thursday and Friday as the result of which much damage was done to the Japanese lines. General Sugiyama and the Japanese War Minister, Koki Hirota, are reported to have petitioned the Japanese Government for the immediate grant of two billion yen to carry on the Japanese operations in North China. The Japanese Finance Minister. It is stated, has promised to devise ways and means to float the required amount.

A new problem has been presented to the Japanese Treasury in the shape of a claim for compensation from the American Missionary School in North China, through the American Embassy. The school, it was stated, was bombed by Japanese planes but the extent of the damage has not yet been assessed.

DELEGATION TO THE LEAGUE

French Party Approved

Paris, August 29.

The composition of the French delegation that will attend the forthcoming session of the League of Nations was determined by the Council of Ministers held here to-day, when the proposal made by M. Delbos met with unanimous approval.

The delegation will comprise Ministers Chautemps and Delbos, M. Herriot and M. Paul Boncour as well as several Under Secretaries of State, members of the Chamber and their legal advisers. The Trade Union leader, M. Jouhaud, has accepted the invitation to accompany the delegation in the capacity of consulting expert.

The Council of Ministers also passed the budget proposals for 1938, submitted by the Minister of Finance, M. Bonnet, showing that revenue and expenditure are balanced.—Transocean News Service.

JAPANESE LEAVE TSINGTAO

Tsingtao, August 29.

Half of the 4,000 Japanese residents in Tsingtao left for Japan to-day in three boats. The rest will be leaving to-morrow. Only the Consulate officials and journalists will be left in the city.—Reuter.